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Recommendation Summary

Budget Period: 2005-07

Version: 31 - 05-07 Agency Req 2007 Sup wCB RPT

Dollars in Thousands	Program Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
Program 100 - Vocational Rehabilitation					
M2 - Inflation and Other Rate Changes					
8F Fuel Rate Adjustment	0	0.0	10	0	10
8M Mileage Rate Adjustments	0	0.0	10	0	10
8P Postage Rate Adjustments	0	0.0	5	0	5
9T Transfers	0	(0.1)	(83)	0	(83)
PK Network Transition Costs	0	0.0	36	0	36
VT OB-2 Rehabilitation	0	0.0	8	2	10
	SubTotal M2	(0.1)	(14)	2	(12)
	Cumulative Total Thru M2	(0.1)	(14)	2	(12)
Total Proposed Budget for Program		(0.1)	(14)	2	(12)
100 - Vocational Rehabilitation					

Department of Social and Health Services

DP Code/Title: M2-8F Fuel Rate Adjustment

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J3 100 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests \$244,000 in State Fiscal Year 2007 for increased fuel costs.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	10,000	10,000
Total Cost	0	10,000	10,000

Staffing

Package Description:

DSHS is requesting \$244,000 in funding required to cover costs associated with the rising price of fuel. The estimate is based on the Department of Transportation (DOT) June 2006 forecast. DSHS received funds for these increased costs of doing business in State Fiscal Year 2006. No funds were provided in State Fiscal Year 2007.

DSHS provides supports and services to clients throughout the state using state owned vehicles.

Narrative Justification and Impact Statement

How contributes to strategic plan:

Funding this request will enable the department to continue to have access to clients and the supports, which are critical in meeting client needs.

Performance Measure Detail

Agency Level

Reason for change:

Fuel costs have significantly increased and DSHS requires additional funding.

Impact on clients and services:

DSHS will continue to maintain the current level of supports and services associated with meeting client needs.

Impact on other state programs:

None

Relationship to capital budget:

Not applicable

Required changes to existing RCW, WAC, contract, or plan:

Not applicable

Department of Social and Health Services

DP Code/Title: M2-8F Fuel Rate Adjustment

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J3 100 2005-07 Agency Request 2007 Sup

Alternatives explored by agency:

DSHS requires funding for rising fuel prices and cannot absorb this cost of providing services to clients.

Budget impacts in future biennia:

DOT fuel forecast will determine funding needed in future biennia.

Distinction between one-time and ongoing costs:

DOT fuel forecast will determine funding needed in future biennia.

Effects of non-funding:

Programs and services will be cut in order to stay within budgeted limits.

Expenditure Calculations and Assumptions:

See attachment AW M2-8F Fuel Rate Adjustment.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
E Goods And Services	0	10,000	10,000

DSHS Source Code Detail

Overall Funding	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources</u> <u>Title</u>			
0011 General Fund State	0	10,000	10,000
Total for Fund 001-1	0	10,000	10,000
Total Overall Funding	0	10,000	10,000

**2007 Supplement Budget Request
M2-8F Fuel Rate Adjustments**

Rounded =Round(link,-3)

Program	Year			ISSD - TZ			Total		
	2006	2007	Total	2006	2007	Total	2006	2007	Total
010		29,000	29,000					29,000	29,000
020		53,000	53,000					53,000	53,000
030		144,000	144,000		1,000	1,000		145,000	145,000
040		(1,000)	(1,000)					(1,000)	(1,000)
050		0	0					0	0
060		5,000	5,000					5,000	5,000
070		0	0					0	0
080		0	0					0	0
100		10,000	10,000					10,000	10,000
110		3,000	3,000					3,000	3,000
150		1,000	1,000		(1,000)	(1,000)		0	0
Total	0	244,000	244,000	0	0	0	0	244,000	244,000

State/Other Split

Program	State			Other			Total		
	2006	2007	Total	2006	2007	Total	2006	2007	Total
010		20,000	20,000		9,000	9,000		29,000	29,000
020		52,000	52,000		1,000	1,000		53,000	53,000
030		115,000	115,000		30,000	30,000		145,000	145,000
040		(1,000)	(1,000)		0	0		(1,000)	(1,000)
050		0	0		0	0		0	0
060		2,000	2,000		3,000	3,000		5,000	5,000
070		0	0		0	0		0	0
080		0	0		0	0		0	0
100		10,000	10,000		0	0		10,000	10,000
110		2,000	2,000		1,000	1,000		3,000	3,000
150		0	0		0	0		0	0
Total	0	200,000	200,000	0	44,000	44,000	0	244,000	244,000

2007-09 Biennial Budget ML-8F Fuel Rate Adjustment

Program	SFY 2005 Total Expend	SFY 2006 Funding	SFY 2007 Funding	SFY 2006 Total Expend	Gallons Used*	Projected Expenditures SFY 07 @ 2.72	SFY 2007 Request
010	87,654	24,000	-	114,408	43,173	117,000	29,000
020	212,081	43,000	-	258,270	97,461	265,000	53,000
030	81,446	23,000	-	218,923	82,612	225,000	144,000
040	51,596	14,000	-	49,677	18,746	51,000	(1,000)
050	1,358	-	-	1,278	482	1,000	-
060	19,549	5,000	-	24,678	9,312	25,000	5,000
080	181	-	-	149	56	-	-
100	42,279	12,000	-	50,858	19,192	52,000	10,000
110	19,093	5,000	-	21,639	8,166	22,000	3,000
150	1,061	-	-	1,725	651	2,000	1,000
Total	516,300	126,000	-	741,604	279,851	760,000	244,000

57 *DOT Average Price per gallon equals \$2.65.

Department of Transportation (DOT) June 2006 Forecast Average price per gallon for SFY 2007 - \$ 2.72

DSHS Budget Office
Dan Winkley

AW M2-8F Fuel Rate Adjustment.xls
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Department of Social and Health Services

DP Code/Title: M2-8M Mileage Rate Adjustments
Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J3 100 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests \$686,000 in State Fiscal Year 2007 to fund the allowable reimbursement rate for automobile mileage of \$.445 per mile.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	10,000	10,000
Total Cost	0	10,000	10,000

Staffing

Package Description:

DSHS requests \$686,000 in State Fiscal Year 2007 to fund the allowable reimbursement rate for automobile mileage of \$.445 per mile. Current state travel regulations allow a reimbursement rate for the use of privately owned vehicles when traveling on official state business (Social Worker duties, regional meetings, conferences, etc). DSHS is currently funded at the rate of \$.375 per mile set in the 2003-05 Biennium. DSHS is requesting the difference between the funded level of \$.375 per mile and the reimburseable level of \$.445 per mile. DSHS received funds for these increased costs of doing business in State Fiscal Year 2006. No funds were provided in State Fiscal Year 2007.

Narrative Justification and Impact Statement

How contributes to strategic plan:

This request meets the agency goal of developing services that meet geographic, cultural, tribal and individual needs.

Performance Measure Detail

Agency Level

Reason for change:

DSHS is not funded at the current allowable mileage reimbursement rate of \$.445 per mile.

Impact on clients and services:

Travel is a critical part of duties that are required of the department. Funding this request will allow DSHS to maintain current levels of service.

Impact on other state programs:

None

Relationship to capital budget:

Not applicable

Department of Social and Health Services

DP Code/Title: M2-8M Mileage Rate Adjustments

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J3 100 2005-07 Agency Request 2007 Sup

Required changes to existing RCW, WAC, contract, or plan:

Not applicable

Alternatives explored by agency:

None

Budget impacts in future biennia:

These costs will carry forward into future biennia.

Distinction between one-time and ongoing costs:

All costs are ongoing.

Effects of non-funding:

DSHS will not be able to absorb this cost increase without an offsetting reduction in program areas that are not fixed costs.

Expenditure Calculations and Assumptions:

Please see attachment AW M2-8M Mileage Rate Adjustments.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
G Travel	0	10,000	10,000

DSHS Source Code Detail

<u>Overall Funding</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources</u> <u>Title</u>			
0011 General Fund State	0	10,000	10,000
<i>Total for Fund 001-1</i>	<u>0</u>	<u>10,000</u>	<u>10,000</u>
Total Overall Funding	<u>0</u>	<u>10,000</u>	<u>10,000</u>

**2007 Supplemental Request
ML-8M Mileage Rate Adjustment**

Rounded =Round(link,-3)

Program	Year			ISSD - TZ			Total		
	2006	2007	Total	2006	2007	Total	2006	2007	Total
010		304,000	304,000					304,000	304,000
020		3,000	3,000					3,000	3,000
030		24,000	24,000					24,000	24,000
040		76,000	76,000					76,000	76,000
050		124,000	124,000					124,000	124,000
060		91,000	91,000					91,000	91,000
070		11,000	11,000					11,000	11,000
080		9,000	9,000					9,000	9,000
100		10,000	10,000					10,000	10,000
110		34,000	34,000					34,000	34,000
150		0	0					0	0
Total	0	686,000	686,000	0	0	0	0	686,000	686,000

State/Other Split

Program	State			Other			Total		
	2006	2007	Total	2006	2007	Total	2006	2007	Total
010		213,000	213,000		91,000	91,000		304,000	304,000
020		3,000	3,000		0	0		3,000	3,000
030		20,000	20,000		4,000	4,000		24,000	24,000
040		46,000	46,000		30,000	30,000		76,000	76,000
050		65,000	65,000		59,000	59,000		124,000	124,000
060		43,000	43,000		48,000	48,000		91,000	91,000
070		5,000	5,000		6,000	6,000		11,000	11,000
080		2,000	2,000		7,000	7,000		9,000	9,000
100		10,000	10,000		0	0		10,000	10,000
110		22,000	22,000		12,000	12,000		34,000	34,000
150		0	0		0	0		0	0
Total	0	429,000	429,000	0	257,000	257,000	0	686,000	686,000

2007 Supplemental Request M2-8M Mileage Rate Adjustment

Program	SFY 2006 Actuals	Estimated Allotment SFY 2007	Projection	SFY 2007 Request
010 - Children's Administration	1,922,558	1,625,558	1,930,000	304,000
020 - Juvenile Rehabilitation Admin	17,279	14,279	17,000	3,000
030 - Mental Health	132,936	129,936	154,000	24,000
040 - Div of Developmental Disabilities	487,598	406,598	483,000	76,000
050 - Long Term Care Services	868,929	663,929	788,000	124,000
060 - Economic Services Admin	578,568	487,568	579,000	91,000
070 - Div of Alc/Substance Abuse	72,346	56,346	67,000	11,000
080 - Medical Assistance	49,824	49,824	59,000	9,000
100 - Vocational Rehabilitation	61,959	51,959	62,000	10,000
110 - Admin & Supporting Svcs	213,424	180,424	214,000	34,000
150 - Info SYS Svcs Div	3,697	3,697	4,000	0
	4,409,119	3,670,119	4,357,000	686,000

Increase from .375 to .445
18.7%

DSHS Budget Office
Dan Winkley

AW M2-8M Mileage Rate Adjustment.xls
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Department of Social and Health Services

DP Code/Title: M2-8P Postage Rate Adjustments
Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J3 100 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

Postage rates have increased by 5.4 percent due to a United States Postal Services (USPS) rate increase for first-class mail. The Department of Social and Health Services (DSHS) is requesting \$466,000 for Fiscal Year 2007 for the increase in first-class postage from \$.37 to \$.39.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	5,000	5,000
Total Cost	0	5,000	5,000

Staffing

Package Description:

Effective January 8, 2006 the USPS increased the rate for first-class mail to \$.39 from the former rate of \$.37. This request is for \$466,000 to fund a 5.4 percent increase in first-class postage rate.

Narrative Justification and Impact Statement

How contributes to strategic plan:

Contributes to the agency goal reinforce strong management to increase public trust.

Performance Measure Detail

Agency Level

Reason for change:

This request is in response to the USPS first-class postage rate increase that went into effect January 8, 2006.

Impact on clients and services:

Communication between clients and programs is a routine and essential part of doing business. Clients expect written responses to their inquiries and concerns. Other areas impacted by the postage rate increase are payments to clients and notices to clients required by law.

Impact on other state programs:

All state programs are impacted by a USPS increase.

Relationship to capital budget:

Not applicable

Required changes to existing RCW, WAC, contract, or plan:

Not applicable

Department of Social and Health Services

DP Code/Title: M2-8P Postage Rate Adjustments
Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J3 100 2005-07 Agency Request 2007 Sup

Alternatives explored by agency:

The USPS mail service is considered accessible to all clients and is an efficient means of communication. Other forms of communication or remittance of payments such as electronic banking and e-mail are not accessible to the majority of the department's clients or may require revisions to state laws.

Budget impacts in future biennia:

This is an increase that will carry forward into future biennia. The USPS is considering an additional rate increase in 2007 to \$.42.

Distinction between one-time and ongoing costs:

This item is an ongoing operational cost. There are no one-time cost associated with this request.

Effects of non-funding:

Non-funding may have negative results to the agency's ability to communicate with clients and remain responsive to constituent needs. If not approved, funds will have to be diverted from programs or services to cover the increased costs.

Expenditure Calculations and Assumptions:

Actual Object EB cost for Fiscal Year 2005 are used as the base for calculating the Fiscal Year 2007 increase.

See attachment AW M2-8P Postage Rate Adjustment

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
E Goods And Services	0	5,000	5,000

DSHS Source Code Detail

<u>Overall Funding</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources</u> <u>Title</u>			
0011 General Fund State	0	5,000	5,000
<i>Total for Fund 001-1</i>	0	5,000	5,000
Total Overall Funding	0	5,000	5,000

**2007 Supplemental Budget Request
M2-8P Postage Rate Adjustment**

**Department of Social & Health Services
2007 Supplemental Agency Request - 8P Postage Rate Adjustment**

Rounded =Round(link,-3)

Program	Year				ISSD - TZ				Total		
	2006	2007	Total		2006	2007	Total		2006	2007	Total
010		29,000	29,000				0		29,000		29,000
020		2,000	2,000				0		2,000		2,000
030		1,000	1,000				0		1,000		1,000
030 SCC		1,000	1,000				0		1,000		1,000
040		11,000	11,000				0		11,000		11,000
050		23,000	23,000				0		23,000		23,000
060		340,000	340,000				0		340,000		340,000
070		4,000	4,000				0		4,000		4,000
080		37,000	37,000				0		37,000		37,000
100		5,000	5,000				0		5,000		5,000
110		13,000	13,000				0		13,000		13,000
150		0	0				0		0		0
Total	0	466,000	466,000		0	0	0		0	466,000	466,000

State/Other Split

Program	State				Other				Total		
	2006	2007	Total		2006	2007	Total		2006	2007	Total
010		14,000	14,000			15,000	15,000		29,000		29,000
020		2,000	2,000			0	0		2,000		2,000
030		1,000	1,000			0	0		1,000		1,000
030 SCC		1,000	1,000			0	0		1,000		1,000
040		5,000	5,000			6,000	6,000		11,000		11,000
050		11,000	11,000			12,000	12,000		23,000		23,000
060		194,000	194,000			146,000	146,000		340,000		340,000
070		2,000	2,000			2,000	2,000		4,000		4,000
080		20,000	20,000			17,000	17,000		37,000		37,000
100		5,000	5,000			0	0		5,000		5,000
110		9,000	9,000			4,000	4,000		13,000		13,000
150		0	0			0	0		0		0
Total		264,000	264,000		0	202,000	202,000		0	466,000	466,000

Department of Social and Health Services

DP Code/Title: M2-9T Transfers

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J3 100 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) is requesting transfers between programs that net to zero for the agency in Fiscal Year (FY) 2007.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	(83,000)	(83,000)
001-2 General Fund - Basic Account-Federal	0	(2,000)	(2,000)
489-1 Pension Funding Stabilization Acct-State	0	2,000	2,000
Total Cost	0	(83,000)	(83,000)

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	0.0	(0.1)	(0.1)

Package Description:

DSHS is requesting internal transfers among several program budgets resulting in a net zero funding change for the department. In order to align program appropriations with planned expenditures in FY2007, adjustments are required in the following areas:

DSHS management has redistributed a reduction of 5.4 FTEs and \$298,000 in FY2007 due to the Middle Management Reduction for Mental Health Division (MHD) headquarters to other DSHS programs. This action is in response to new MHD mandates to develop more efficient and effective methods for serving persons with mental illness that have increased oversight and accountability demands on MHD headquarters staff.

DSHS management has redistributed (\$5,701,000) of the SmartBuy reduction in FY2007 from the Administrative & Supporting Services program to Children's Administration (CA), Juvenile Rehabilitation Administration (JRA), MHD, Division of Developmental Disabilities (DDD), Long Term Care (LTC), Economic Services Administration (ESA), Division of Alcohol and Substance Abuse (DASA), Medical Assistance Administration (MAA), Division of Vocation Rehabilitation (DVR), and Information Systems Services Division (ISSD) to align funding reductions across the agency.

DDD is transferring \$1,300,000 GF-S in FY2007 to ESA to support the ability of the Department in meeting the Social Security Income State Supplemental Payment (SSI/SSP) Maintenance of Effort (MOE). DDD has reached the eligible capacity of expenditures within the program. This transfer reflects the unused allotment within DDD provided in the 2005-07 Biennium, and supports the department requirement to meet an MOE level of spending each calendar year to ensure continued Medicaid funding.

DSHS management has redistributed \$68,000 of the ISSD Pension Plan 1 dollars in FY2007 from the Administrative & Supporting Services program to CA, JRA, MHD, DDD, LTC, ESA, MAA, and DVR to align funding across the agency.

Transfer of the Central Services funding of \$2,171,000 in FY2007 from the Administrative and Support Services program to Payments to Other Agencies.

Administration and Support Services is requesting an internal program transfer to reorganize the central risk management functions under the newly created Chief Risk Officer. This transfer is 2.0 FTEs and \$125,000 per year between budget units in Program 110.

Department of Social and Health Services

DP Code/Title: M2-9T Transfers
Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J3 100 2005-07 Agency Request 2007 Sup

Narrative Justification and Impact Statement

How contributes to strategic plan:

Improve the ability of state government to achieve results efficiently and effectively.

Performance Measure Detail

Agency Level

Reason for change:

Changes to FY2007 will align budgets with planned expenditures.

Impact on clients and services:

None

Impact on other state programs:

None

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

None

Budget impacts in future biennia:

All costs are ongoing.

Distinction between one-time and ongoing costs:

No one-time costs.

Effects of non-funding:

DSHS will continue to spend differently than appropriated in the affected programs.

Expenditure Calculations and Assumptions:

See attachment 'AW M2-9T Transfers.xls'.

Department of Social and Health Services

DP Code/Title: M2-9T Transfers

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J3 100 2005-07 Agency Request 2007 Sup

<u>Object Detail</u>		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding				
A	Salaries And Wages	0	(4,000)	(4,000)
B	Employee Benefits	0	(2,000)	(2,000)
E	Goods And Services	0	(69,000)	(69,000)
T	Intra-Agency Reimbursements	0	(8,000)	(8,000)
Total Objects		0	(83,000)	(83,000)
 DSHS Source Code Detail				
Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	0	(83,000)	(83,000)
<i>Total for Fund 001-1</i>		0	(83,000)	(83,000)
 Fund 001-2, General Fund - Basic Account-Federal				
<u>Sources</u>	<u>Title</u>			
126F	Rehabilitation Svs - Basic Supp (A) (78.7%)	0	(2,000)	(2,000)
<i>Total for Fund 001-2</i>		0	(2,000)	(2,000)
 Fund 489-1, Pension Funding Stabilization Acct-State				
<u>Sources</u>	<u>Title</u>			
4891	Pension Funding Stabilization Acct	0	2,000	2,000
<i>Total for Fund 489-1</i>		0	2,000	2,000
Total Overall Funding		0	(83,000)	(83,000)

**2007 Supplemental
M2-9T Transfers**

AW M2-9T Transfers

	Program	FTEs FY07	FY2007 FUNDS			
			State	489-1	Other	Total
010	Middle Management Reduction from MHD	(0.6)	(19,000)		(14,000)	(33,000)
	SmartBuy		(755,000)			(755,000)
	ISSD Pension Rate Redistribution			12,000	2,000	14,000
	010 Total	(0.6)	(774,000)	12,000	(12,000)	(774,000)
020	Middle Management Reduction from MHD	(0.3)	(10,000)		(7,000)	(17,000)
	SmartBuy		(467,000)			(467,000)
	ISSD Pension Rate Redistribution			2,000	0	2,000
	020 Total	(0.3)	(477,000)	2,000	(7,000)	(482,000)
030	Middle Management Reduction from MHD	5.4	176,000		122,000	298,000
	SmartBuy		(1,037,000)			(1,037,000)
	ISSD Pension Rate Redistribution			2,000	0	2,000
	030 Total	5.4	(861,000)	2,000	122,000	(737,000)
040	Middle Management Reduction from MHD	(0.5)	(17,000)		(11,000)	(28,000)
	SSP MOE Transfer		(1,300,000)			(1,300,000)
	SmartBuy		(1,046,000)			(1,046,000)
	ISSD Pension Rate Redistribution			2,000	1,000	3,000
	040 Total	(0.5)	(2,363,000)	2,000	(10,000)	(2,371,000)
050	Middle Management Reduction from MHD	(0.7)	(23,000)		(16,000)	(39,000)
	SmartBuy		(379,000)			(379,000)
	ISSD Pension Rate Redistribution			2,000	2,000	4,000
	050 Total	(0.7)	(402,000)	2,000	(14,000)	(414,000)
060	Middle Management Reduction from MHD	(1.0)	(31,000)		(21,000)	(52,000)
	SSP MOE Transfer		1,300,000			1,300,000
	SmartBuy		(1,519,000)			(1,519,000)
	ISSD Pension Rate Redistribution			31,000	9,000	40,000
	060 Total	(1.0)	(250,000)	31,000	(12,000)	(231,000)
070	Middle Management Reduction from MHD	(0.2)	(6,000)		(5,000)	(11,000)
	SmartBuy		(49,000)	0		(49,000)
	070 Total	(0.2)	(55,000)	0	(5,000)	(60,000)
080	Middle Management Reduction from MHD	(1.0)	(36,000)		(25,000)	(61,000)
	SmartBuy		(370,000)			(370,000)
	ISSD Pension Rate Redistribution			1,000	0	1,000
	080 Total	(1.0)	(406,000)	1,000	(25,000)	(430,000)
100	Middle Management Reduction from MHD	(0.1)	(4,000)		(2,000)	(6,000)
	SmartBuy		(79,000)			(79,000)
	ISSD Pension Rate Redistribution			2,000	0	2,000
	100 Total	(0.1)	(83,000)	2,000	(2,000)	(83,000)
110	Middle Management Reduction from MHD	(1.0)	(30,000)		(21,000)	(51,000)
	Central Services Transfer		(1,498,000)		(673,000)	(2,171,000)
	SmartBuy		5,701,000			5,701,000
	ISSD Pension Rate Redistribution			(54,000)	(14,000)	(68,000)
	110 Total	(1.0)	4,173,000	(54,000)	(708,000)	3,411,000
145	Central Services Transfer	0.0	1,498,000		673,000	2,171,000
	145 Total	0.0	1,498,000	0	673,000	2,171,000
150	SmartBuy	0.0	0	0		0
	150 Total	0.0	0	0	0	0
Agency-Wide:		(0.0)	0	0	0	0
			0		0	0

There are multiple components to ML-9T Transfers:

Middle Management Reduction Redistribution of MHD Category 9000 (010, 020, 030, 040, 050, 060, 070, 080, 100, 110)

SSP MOE Transfer (040, 060)

SmartBuy (110 to 010, 020, 030, 040, 050, 060, 070, 080, 100, 150)

Central Services (110 to 145)

ISSD Pension Rate Plan 1 Redistribution (110 to 010, 020, 030, 040, 050, 060, 080, 100)

Department of Social and Health Services

DP Code/Title: M2-PK Network Transition Costs

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J3 100 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests \$375,000 starting July 1, 2006 to cover the incremental cost increases incurred during Fiscal Year (FY) 2007 by transitioning to the Multi-Protocol Label Switching (MPLS) services network operated by the Department of Information Systems (DIS).

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	36,000	36,000
Total Cost	0	36,000	36,000

Staffing

Package Description:

This transition increases costs to DSHS by \$375,000 in FY2007.

In partnership with DIS, DSHS is gradually transitioning from the existing DIS-provided network (Data Transport Services, (DTS)) to one that is more robust and flexible MPLS.

The transition by DSHS to the MPLS services network is supportive of DIS' business plan for gradual withdrawal from the DTS network in combination with conversion to MPLS services by all state agencies. To avoid the infrastructure and transport costs of two networks, DIS would like state agencies to move from DTS to MPLS as soon as possible.

Narrative Justification and Impact Statement

How contributes to strategic plan:

The transition to the MPLS services network is consistent with initiatives of the Governor's Office to streamline government through the expanded and more effective use of technology. It supports the department's core business functions by enhancing the capacity and movement of essential information and is also consistent with the Washington State Digital plan.

This network transition supports the goals of the agency's balanced scorecard in that it:

- 1) Allows DSHS program areas to integrate and coordinate new and old information systems.
- 2) Assists DSHS program areas in providing excellent customer service by efficiently providing an effective communications infrastructure.
- 3) Provides high quality services that are easy to access by DSHS employees and service delivery partners who work directly with clients and allows program areas to expand the availability of agency resources.
- 4) Provides a network infrastructure that supports a very diverse set of requirements.

State and federal regulations such as the Health Insurance Portability and Accountability Act (HIPAA) require isolation and protection of confidential and sensitive client information. Transitioning to a MPLS services network provides this isolation by changing the network connections of our remote field offices so that they are logically behind the DSHS firewall even though they are physically connected to the DIS-provided state network and across public telecom providers. All of our network traffic will travel within a virtual (VRF) tunnel that is unique to DSHS and segmented from all other state agencies and other entities.

Department of Social and Health Services

DP Code/Title: M2-PK Network Transition Costs

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J3 100 2005-07 Agency Request 2007 Sup

Performance Measure Detail

Agency Level

Reason for change:

The old DTS network is neither as effective nor efficient in meeting the network requirements as the potential of the new MPLS network. As DIS migrates state agencies, connections on the old DTS network will become more difficult to establish and less responsive and reliable. DTS connections will not be upgraded, and gradually degrading performance will only sporadically be monitored or resolved. Since our network supports the department's key business functions, its performance and reliability are very important. For example, Governor Gregoire has directed the Secretary to make certain that caseworkers respond to reports of child abuse and neglect within twenty-four hours. Network reliability and transmission swiftness are important tools assisting caseworkers in the Children's Administration to meet this important edict.

Without a reliable network, other activities such as determining a client's eligibility for financial or medical assistance, collecting child support, and making correct and timely payments to our contracted providers could be delayed or not successfully completed as required by law, resulting in possible litigation and/or loss of funding.

Impact on clients and services:

Transitioning our Wide Area Network (WAN) to the MPLS services network allows program areas within DSHS to effectively provide service delivery to clients without being markedly impaired by limited network capacity or reliability. Without the transition, clients will experience an increasing frequency of times in which their assigned caseworker is unable to access the client's record, find the information that is needed, or to make the service changes that are needed - all because the communication network used by the Information Technology application is unavailable or unreliable due to network congestion.

A DSHS Vancouver office illustrates one example of improved network response provided by the MPLS migration. We tracked network response times from October 10, 2005 to October 14, 2005 (before the office's conversion) and from December 5, 2005 to December 9, 2005 (after the conversion). The office recognized an average 71% improvement in network response times after the conversion. Some offices may experience greater improvement in network performance while some sites may notice little or no response time difference; however, the transition will benefit all DSHS offices by providing more reliable technology.

Impact on other state programs:

The transition assists all program areas within DSHS to implement business initiatives using a stable, shared network, which is the most cost effective method to deliver these diverse client services. It allows us to support the network with current staffing and does not require additional staffing in the program areas.

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

The two available options are to:

- 1) Delay or transition more slowly.
- 2) Implement a gradual transition now.

Department of Social and Health Services

DP Code/Title: M2-PK Network Transition Costs

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J3 100 2005-07 Agency Request 2007 Sup

If we were to continue with the current network infrastructure, we would gradually be unable to meet the agency's business requirements. As DIS migrates state agencies, connections on the DTS network will become more difficult to establish, more heavily congested and less responsive to user needs.

By transitioning now, our current network platform is combined with the newer MPLS technology provided through DIS. This permits us to leverage our investments in network hubs, Asynchronous Transfer Mode, and Ethernet services producing a more cost effective, expandable resource for all program areas across the state. This option allows us to scale the network to fit current demands and allows for cost effective growth as required.

Budget impacts in future biennia:

Ninety-nine percent of our almost 18,000 employees have intranet access and rely on the network to perform at least some aspect of their duties. As our reliance on technology grows, bandwidth requirements continue to increase. The Department of Personnel's Human Resource Management System (HRMS), the Office of Financial Management's Enterprise Reporting System (Fastrack), and Travel Voucher System (TVS) are some of the recent applications that have increased demands on our network. In addition, we have increased network requirements by using it to deploy security patches to the field, back up vital data at remote sites and share imaged client records across the state. By choosing to implement the network transition now, we are able to satisfactorily meet current business needs of the agency while migrating to newer technologies in the most cost effective manner.

This request is for the increased monthly circuit costs and installation charges DSHS will recognize during Fiscal Year 2007 for transitioning to MPLS circuits and other high-speed network transport connections such as Ethernet.

Distinction between one-time and ongoing costs:

In addition to the increased monthly costs, we estimate we will incur \$33,000 for one time installation charges in Fiscal Year 2007.

Effects of non-funding:

Not funding this decision package will affect all program areas, business partners and their clients within DSHS and the state of Washington.

As DTS network performance continues to degrade, our technical staff are required to dedicate more time to perform ineffectual trouble shooting and analysis. Slow response times and application timeouts are becoming increasingly common due to the overload of the DTS network, resulting in poorly performing Information Technology applications. Eventually, DTS network performance will seriously degrade to the point of potentially becoming unusable by program staff during peak periods of the workday. As a result, the delivery of vital client services, such as the safety of vulnerable children and adults will be hindered or delayed.

Due to its current instability, limited capacity and the fact that DIS will eventually dismantle the DTS network; DSHS is forced to move ahead with the transition to the MPLS network. As of June 2006, 57 DSHS sites have already transitioned to the new network and 160 sites remain to be converted. As of the August 2006 DIS invoice, DSHS has been billed for the converted circuit rates and one-time installation fees on 30% of our sites. By the end of Fiscal Year 2007, DSHS will be 100% converted.

During Fiscal Year 2007, we anticipate increased DIS charges of approximately \$375,000 for converted circuits and one-time installation fees. Please see the attached cost analysis (M2-PK Network Transition Costs.xls) for further details and source documentation.

Expenditure Calculations and Assumptions:

Department of Social and Health Services

DP Code/Title: M2-PK Network Transition Costs

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J3 100 2005-07 Agency Request 2007 Sup

Please see attachment AW M2-PK Network Transition Costs.xls.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
E Goods And Services	0	36,000	36,000

DSHS Source Code Detail

Overall Funding	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources</u> <u>Title</u>			
0011 General Fund State	0	36,000	36,000
<i>Total for Fund 001-1</i>	<u>0</u>	<u>36,000</u>	<u>36,000</u>
Total Overall Funding	<u>0</u>	<u>36,000</u>	<u>36,000</u>

**2007 Supplemental Request
M2-PK Network Transition Costs**

Worksheet: Summary

Object 'E'

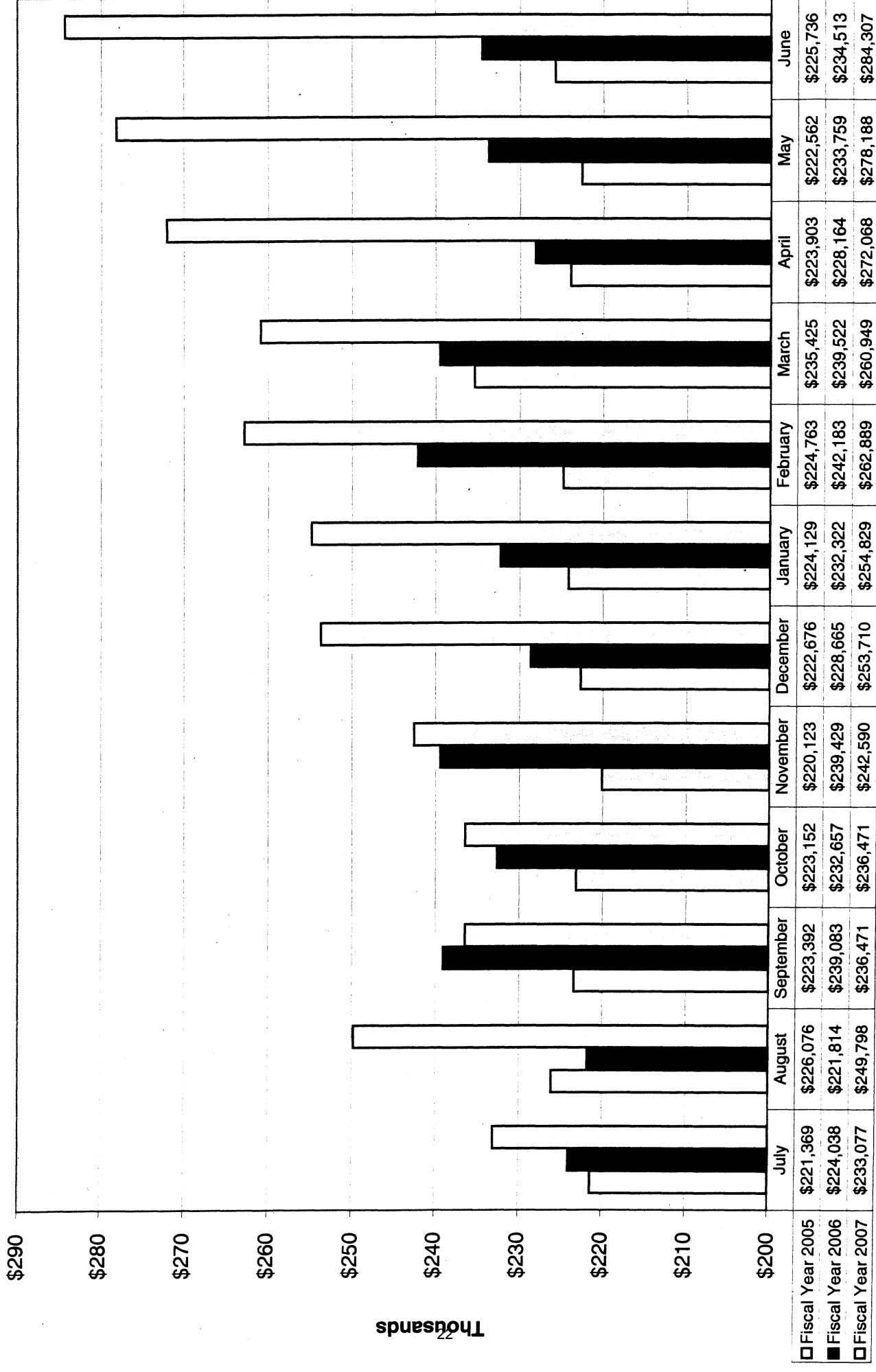
Program	Year				ISSD - TZ				Total		
	2006	2007	Total		2006	2007	Total		2006	2007	Total
010		58,000	58,000			0	0		0	58,000	58,000
020		27,000	27,000			0	0		0	27,000	27,000
030		19,000	19,000			0	0		0	19,000	19,000
040		28,000	28,000			0	0		0	28,000	28,000
050		55,000	55,000			0	0		0	55,000	55,000
060		138,000	138,000			0	0		0	138,000	138,000
070		1,000	1,000			0	0		0	1,000	1,000
080		0	0			0	0		0	0	0
100		36,000	36,000			0	0		0	36,000	36,000
110		13,000	13,000			0	0		0	13,000	13,000
150		0	0			0	0		0	0	0
Total	0	375,000	375,000		0	0	0		0	375,000	375,000

State/Other Split

Program	State				Other				Total		
	2006	2007	Total		2006	2007	Total		2006	2007	Total
010		40,000	40,000			18,000	18,000			58,000	58,000
020		27,000	27,000			0	0			27,000	27,000
030		15,000	15,000			4,000	4,000			19,000	19,000
040		17,000	17,000			11,000	11,000			28,000	28,000
050		28,000	28,000			27,000	27,000			55,000	55,000
060		82,000	82,000			56,000	56,000			138,000	138,000
070		1,000	1,000			0	0			1,000	1,000
080		0	0			0	0			0	0
100		36,000	36,000			0	0			36,000	36,000
110		9,000	9,000			4,000	4,000			13,000	13,000
150		0	0			0	0			0	0
Total	0	255,000	255,000		0	120,000	120,000		0	375,000	375,000

**2007 Supplemental Request
M2-PK Network Transition Costs**

**DSHS
Wide Area Network (WAN) Connectivity Cost Comparison**



Source: Department of Information Services monthly billing for WAN connectivity - September 2006 through June 2007, estimates

2007 Supplemental Request
M2-PK Network Transition Costs

DSHS
WAN Connectivity Charges
Monthly Billing from DIS

Worksheet: FY2007

Svc Orig #	DIS Service Offering	July	August	September *	October *	November *	December *	January *	February *	March *	April *	May *	June *	FY2007 * YTD Invoice
0703	ATS Transport (Fractional)	70,874.00	81,077.02	76,238.58	76,238.58	79,855.31	83,472.03	87,068.76	88,897.12	90,705.49	94,322.21	97,938.94	101,555.67	1,028,263.71
0704	ATS DIS Installation	0.00	7,750.00	0.00	0.00	0.00	0.00	0.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	32,750.00
0777	Dedicated Tz/Point to Point C	1,719.12	1,719.12	1,719.12	1,719.12	1,893.86	2,068.60	2,243.34	2,330.71	2,418.08	2,592.82	2,767.56	2,942.30	26,133.75
0784	ATS Serial Router Port	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	8,400.00
0788	Sonet Transport Sr	355.00	355.00	355.00	355.00	355.00	355.00	355.00	355.00	355.00	355.00	355.00	355.00	4,260.00
0792	State Client Internet Access	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	7,500.00
0798	ATS Network Management 56K-128K	14,507.50	14,997.51	14,490.74	14,490.74	14,840.99	15,191.23	15,541.48	15,716.60	15,891.73	16,241.97	16,592.22	16,942.47	185,445.18
0800	Time & Material Repair/Labor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0802	Monthly Equipment Service	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	1,692.00
0807	ATS USW Frame Relay Circuit	94,460.76	92,736.41	92,506.66	92,506.66	92,506.66	92,506.66	92,506.66	92,506.66	92,506.66	92,506.66	92,506.66	92,506.66	1,112,265.77
0822	Monthly Maintenance	29.38	29.38	29.38	29.38	29.38	29.38	29.38	29.38	29.38	29.38	29.38	29.38	352.56
0832	IP Routed NNW	29,052.00	29,052.00	29,052.00	29,052.00	29,621.33	30,190.67	30,760.00	31,044.67	31,329.33	31,898.67	32,468.00	33,037.33	366,558.00
0841	CIN Transport Sr	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	2,880.00
0844	INS Network Management 56K-12	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	900.00
0943	IGN Access	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	86,940.00
1121	INS Ethernet Router Port	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00
1123	IGN Ethernet Router Port	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00
1138	CFN Network Management 10M	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00
1210	DIS MONTHLY MAINTENANCE (SPAR	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	900.00
1352	DMZ Firewall Port Charge	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	240.00
1356	Ethernet Service 10M	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	1,596.00
1357	Fast Ethernet Service 100M	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	16,800.00
1360	Catalyst 1G Port	4,629.25	4,629.25	4,629.25	4,629.25	5,239.00	5,848.75	6,458.50	6,763.38	7,068.25	7,678.00	8,287.75	8,897.50	74,758.13
1373	Advanced Ethernet Service (AE	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	48,000.00
		2,396.00	2,396.00	2,396.00	2,396.00	3,194.67	3,993.33	4,792.00	5,191.33	5,590.67	6,389.33	7,188.00	7,986.67	53,910.00
	Total	233,077.01	249,797.69	236,470.73	236,470.73	242,590.19	253,709.66	254,829.12	262,888.85	260,948.58	272,068.05	278,187.51	284,306.97	3,065,345.10
	Monthly cost variance from monthly average	8,851.33	25,572.01	12,245.05	12,245.05	18,364.51	29,483.98	30,603.44	38,663.17	36,722.90	47,842.37	53,961.83	60,081.29	374,636.94
	* September 2006 through June 2007 estimates													
									Monthly Average: July 2004 - August 2005 ->					224,225.68
									Monthly Average: September 2005 - Current ->					246,165.52
										Average Monthly Cost Increase ->				21,939.84

DSHS
WAN Connectivity Charges
Monthly Billing from DIS

Svc Orig #	DIS Service Offering	July	August	September	October	November	December	January	February	March	April	May	June	FY2005 YTD Invoice
0703	ATS Transport (Fractional)	65,745.00	67,245.00	67,060.00	67,060.00	66,085.00	65,962.66	66,497.66	66,358.97	72,406.78	66,300.00	67,230.10	67,821.66	805,772.83
0704	ATS DIS Installation		800.00						200.00	1,600.00	200.00	400.00	400.00	3,600.00
0777	Dedicated Tz/Point to Point C	437.00	437.00	437.00	437.00	1,366.93	666.26	2,055.00	435.78	1,194.90	1,194.90	1,194.90	1,194.90	11,051.57
0784	ATS Serial Router Port	850.00	850.00	850.00	850.00	850.00	850.00	850.00	850.00	850.00	850.00	850.00	850.00	10,200.00
0788	Sonet Transport Sr	180.00	180.00	180.00	180.00	180.00	180.00	435.00	435.00	435.00	435.00	435.00	435.00	3,690.00
0792	State Client Internet Access	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	7,500.00
0798	ATS Network Management 56K-128K	14,000.00	14,075.00	13,968.33	14,000.00	13,575.00	13,682.39	13,677.39	13,718.79	15,038.70	14,225.97	13,938.39	14,055.00	167,954.96
0800	Time & Material SR												746.55	746.55
0802	Monthly Equipment Service	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	1,692.00
0807	ATS USW Frame Relay Circuit	99,172.00	99,479.98	97,519.73	97,760.40	94,509.40	98,797.72	98,125.31	97,347.40	100,271.05	95,557.40	94,798.60	96,925.48	1,170,264.47
0822	Monthly Maintenance	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00	29.38	29.38	29.38	331.14
0832	IP Routed NWK	30,004.00	29,228.00	29,596.00	29,084.00	29,776.00	28,756.00	28,708.00	28,836.00	28,448.00	29,956.00	28,532.00	28,124.00	349,048.00
0841	CFN Transport Sr	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	2,880.00
0844	INS Network Management 56K-12	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	900.00
0943	IGN Access	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	86,940.00
1121	INS Ethernet Router Port	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00
1123	IGN Ethernet Router Port	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00
1138	CFN Network Management 10M	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	900.00
1210	DIS MONTHLY MAINTENANCE (SPAR	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	240.00
1352	DMZ Firewall Port Charge	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	1,596.00
1356	Ethernet Service 10M													
1357	Fast Ethernet Service 100M	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	1,400.00	1,400.00	1,400.00	8,400.00
1360	Catalyst 1G Port	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,800.00	2,800.00	2,800.00	30,800.00
1379	Advanced Ethernet Service (AE										2,000.00	2,000.00	2,000.00	24,000.00
	Total	221,369.00	226,075.98	223,992.06	223,152.40	220,123.33	222,676.03	224,129.36	224,762.94	235,425.43	223,902.65	222,562.37	225,735.97	2,693,307.52
													FY05 Monthly Average ->	224,442.29

2007 Supplemental Request
M2-PK Network Transition Costs

Worksheet: Data

	July	August	September	October	November	December	January	February	March	April	May	June
Fiscal Year 2005	\$221,369	\$226,076	\$223,392	\$223,152	\$220,123	\$222,676	\$224,129	\$224,763	\$235,425	\$223,903	\$222,562	\$225,736
Fiscal Year 2006	\$224,038	\$221,814	\$239,083	\$232,657	\$239,429	\$228,665	\$232,322	\$242,183	\$239,522	\$228,164	\$233,759	\$234,513
Fiscal Year 2007	\$233,077	\$249,798	\$236,471	\$236,471	\$242,590	\$253,710	\$254,829	\$262,889	\$260,949	\$272,068	\$278,188	\$284,307

Department of Social and Health Services

DP Code/Title: M2-VT OB-2 Rehabilitation

Program Level - 100 Vocational Rehabilitation

Budget Period: 2005-07 Version: J3 100 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests \$895,000 and 1.0 FTE beginning July 1, 2006 for expenses associated with the upcoming rehabilitation of Office Building -2 (OB-2) DSHS Headquarters.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	8,000	8,000
540-1 Tele Device Hearing/Speech Impaired-State	0	2,000	2,000
Total Cost	0	10,000	10,000

Staffing

Package Description:

DSHS requests \$895,000 and 1.0 FTE for Fiscal Year 2007 for the costs associated with rehabilitating OB-2.

Headquarters operations are housed in Office Building 2 on East Capital Campus, this includes several DSHS Administrations as well as DSHS Executive Management.

The department of General Administration (GA) has a rehabilitation plan for OB-2 that includes the seismic retrofit of the facility. This renovation is required to improve the structural integrity and energy efficiency of the building.

For this renovation to occur, DSHS will have to vacate one quarter of the facility in phases over approximately 18 months. This request includes moving expenses associated with this renovation. Approximately 20,000 square feet of temporary space will have to be leased for DSHS to vacate the necessary space for construction. DSHS will require 1.0 FTE to begin work to support these activities. This FTE will complete DSHS facility programming, move planning, staff communication, and move coordination in collaboration with GA FTEs. This FTE will be responsible for ensuring effective space usage to achieve an anticipated reduction of 22,000 square feet in Thurston County. In order to complete this comprehensive planning a dedicated resource is needed.

Narrative Justification and Impact Statement

How contributes to strategic plan:

This project contributes to the Agency goal to "value and develop employees" and the objective to "provide the infrastructure, information, and systems to help employees do their jobs".

This project will provide approximately 950 DSHS staff with the facilities infrastructure to do their jobs in a safe working environment.

Performance Measure Detail

Agency Level

Reason for change:

This project will support GA's efforts to improve the safety of OB-2 for building tenants during an earthquake. Specifically,

Department of Social and Health Services

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it will improve the building structure to increase life safety levels in the event of an earthquake, other natural disaster, or man-made disaster.

In addition, this renovation is expected to improve energy efficiency with the replacement of windows and improvements to the buildings Heating, Ventilation And Cooling (HVAC) systems.

This project is the final phase of GA's multi-phased building rehabilitation. It is important to staff safety to complete this project at this time.

In conjunction with the rehabilitation, the DSHS Communication Room will be consolidated into the Department of Information Services (DIS) Local Area Network (LAN) room located on the Service Level of OB-2. This will allow for better infrastructure support for some of the most critical Information Technology (IT) equipment for DSHS.

Impact on clients and services:

This project is not expected to be disruptive to DSHS client services.

There will be minimal disruption to business operations for building tenants while the phased relocations occur.

Impact on other state programs:

GA will be impacted by this project. GA is responsible for building operations and construction management of this project.

Relationship to capital budget:

GA is submitting a capital budget request to complete the design and construction of this project.

GA's request is OB-2 Rehabilitation, number 1998-1-007. It is estimated to cost \$12.4 million and will be funded by a Certificate of Participation (COP).

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

DSHS considered vacating the building all at once.

Cons:

This model would have increased the costs of temporary relocation to nearly \$13,000,000. This model would have required DSHS to lease approximately 260,000 square feet of temporary space in Thurston County.

Pros:

This would have been less disruptive to staff and services provided in OB-2. This would have allowed construction to occur faster and would have reduced construction costs.

The alternative selected is the best alternative because it will reduce the costs of this project by over half. In addition, this will significantly reduce the amount of temporary leased space to approximately 8% of the other alternative.

This project has not been assessed against best practices. It is being developed and implemented using recently improved procedures for the construction of DSHS leased space.

Department of Social and Health Services

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Budget impacts in future biennia:

This project is expected to span two biennia. The estimated cost, as assumed based on the current GA schedule, for the 2007-09 biennium is \$2,257,000 and \$2,317,000 for the 2009-11 biennium.

Beyond the 2009-11 biennium, DSHS will continue to incur an estimated \$200,000 annually for the continued maintenance of the LAN room, which is payable to DIS.

In addition, because the Capital Project will be funded through a COP, GA will be increasing the DSHS reimbursable fees to pay for the construction. This will create a fiscal impact to the GA revolving fund in program 145 (Payments to Other Agencies). Estimated costs have not been provided to date from GA. GA is creating a pro forma to document these increased costs.

This remodel is expected to greatly improve the space usage in OB-2, to the point that DSHS will be able to vacate existing DSHS leaseholds. Following the remodel, DSHS will vacate a leased facility.

The shifting of staff in Thurston County is expected to result in a in total lease cost reduction of \$482,000 annually or \$964,000 a biennium.

Distinction between one-time and ongoing costs:

This request is predominantly all one-time costs, except for the cost of the increased charges to DIS for the maintenance of the LAN room. These costs are to pay for the infrastructure DSHS will be using in this room on an ongoing basis.

Effects of non-funding:

If funding is not provided, this project will not occur.

Expenditure Calculations and Assumptions:

See attachment 'AW M2-VT OB-2 Rehabilitation.xls'.

<u>Object Detail</u>		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding				
T	Intra-Agency Reimbursements	0	10,000	10,000
<u>DSHS Source Code Detail</u>				
Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources Title</u>				
0011	General Fund State	0	8,000	8,000
Total for Fund 001-1		0	8,000	8,000
Fund 540-1, Tele Device Hearing/Speech Impaired-State				
<u>Sources Title</u>				
5401	Tele Device Hearing/Speech Impaired-State	0	2,000	2,000
Total for Fund 540-1		0	2,000	2,000
Total Overall Funding		0	10,000	10,000

**2007 Supplemental Request
M2-VT OB-2 Rehabilitation**

Worksheet: Summary

Program	Non-TZ Objects by FY				ISSD - TZ				Total		
	2006	2007	Total		2006	2007	Total		2006	2007	Total
010			0		166,000	166,000			0	166,000	166,000
020			0		34,000	34,000			0	34,000	34,000
030			0		34,000	34,000			0	34,000	34,000
040			0		28,000	28,000			0	28,000	28,000
050			0		35,000	35,000			0	35,000	35,000
060			0		362,000	362,000			0	362,000	362,000
070			0		1,000	1,000			0	1,000	1,000
080			0		7,000	7,000			0	7,000	7,000
100			0		10,000	10,000			0	10,000	10,000
110		94,000	94,000		124,000	124,000			0	218,000	218,000
150		801,000	801,000		(801,000)	(801,000)			0	0	0
Total	0	895,000	895,000		0	0	0		0	895,000	895,000

State/Other Split

Program	State				Other				Total		
	2006	2007	Total		2006	2007	Total		2006	2007	Total
010		114,000	114,000			52,000	52,000			166,000	166,000
020		34,000	34,000			0	0			34,000	34,000
030		24,000	24,000			10,000	10,000			34,000	34,000
040		19,000	19,000			9,000	9,000			28,000	28,000
050		19,000	19,000			16,000	16,000			35,000	35,000
060		181,000	181,000			181,000	181,000			362,000	362,000
070		1,000	1,000			0	0			1,000	1,000
080		7,000	7,000			0	0			7,000	7,000
100		8,000	8,000			2,000	2,000			10,000	10,000
110		139,000	139,000			79,000	79,000			218,000	218,000
150		0	0			0	0			0	0
Total	0	546,000	546,000		0	349,000	349,000		0	895,000	895,000

2007 Supplemental M2-VT OB-2 Rehabilitation

OB-2 Rehabilitation Summary

STAFF COSTS	FTE'S	COSTS PER ITEM	TOTAL COST	FY07
Facilities Project Manager	1	\$ 95,000	\$ 95,000	\$ 95,000
IT Coordinator	0.5	\$ 48,000	\$ 48,000	\$ -
Total Annual Staffing Estimate			\$ 143,000	\$ 95,000

OB2 COSTS

INFRASTRUCTURE& MOVING COSTS

	NUMBER OF ITEMS	COSTS PER ITEM	TOTAL COST	FY07
Voice and Data Expenses				
DIS Costs				
Relocation and Installation of Equipment		-	-	600,000
DIS Maintenance Costs for Relocation of LAN Room		200,000	200,000	200,000
Subtotal: Total Project Estimate			1,540,000	800,000

GRAND TOTAL	\$ 895,000
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05-07 Biennium \$ 895,000

Assumptions:

Tempoary LAN Room includes: equipment, HVAC, and Set-up

2007 Supplemental M2-VT OB-2 Rehabilitation

OB-2 Rehabilitation Summary

FY07	FTE	A	B	E	J	TZ	TOTAL
010 Children and Family Services						166,000	166,000
020 Juvenile Rehabilitation						34,000	34,000
030 Mental Health						32,000	32,000
040 Developmental Disabilities						28,000	28,000
050 Aging and Adult Services						35,000	35,000
060 Economic Services						362,000	362,000
070 Alcohol and Substance Abuse						1,000	1,000
080 Medical Assistance						7,000	7,000
100 Vocational Rehabilitation						8,000	8,000
100-1 Deaf & Hard of Hearing						2,000	2,000
110 Administration	1.0	63,000	16,000	7,000	8,000	124,000	218,000
SCC Special Commitment Center						2,000	2,000
150 Information System Services Division	-	-	-	801,000	-	(801,000)	-
Total	1.0	63,000	16,000	808,000	8,000	-	895,000

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Biennial TOTAL	FTE	A	B	E	J	TZ	TOTAL
010 Children and Family Services	-	-	-	-	-	166,000	166,000
020 Juvenile Rehabilitation	-	-	-	-	-	34,000	34,000
030 Mental Health	-	-	-	-	-	32,000	32,000
040 Developmental Disabilities	-	-	-	-	-	28,000	28,000
050 Aging and Adult Services	-	-	-	-	-	35,000	35,000
060 Economic Services	-	-	-	-	-	362,000	362,000
070 Alcohol and Substance Abuse	-	-	-	-	-	1,000	1,000
080 Medical Assistance	-	-	-	-	-	7,000	7,000
100 Vocational Rehabilitation	-	-	-	-	-	8,000	8,000
100-1 Deaf & Hard of Hearing	-	-	-	-	-	2,000	2,000
110 Administration	0.5	63,000	16,000	7,000	8,000	124,000	218,000
SCC Special Commitment Center	-	-	-	-	-	2,000	2,000
150 Information System Services Division	-	-	-	801,000	-	(801,000)	-
Total	0.5	63,000	16,000	808,000	8,000	-	895,000

**2007 Supplemental
M2-VT OB-2 Rehabilitation**

PROGRAM 110 STAFF COSTS

	FY 06	FY 07	TOTAL
<u>FTE</u>			
Facilities Project Manager	-	1.0	0.5
TOTAL	-	1.0	0.5

OBJECTS

SALARY			
Facilities Project Manager	-	63,000	63,000
TOTAL	-	63,000	63,000

BENEFITS			
Facilities Project Manager	-	16,000	16,000
TOTAL	-	16,000	16,000

GOODS AND SERVICES			
Facilities Project Manager	-	7,000	7,000
TOTAL	-	7,000	7,000

EQUIPMENT			
Facilities Project Manager	-	8,000	8,000
TOTAL	-	8,000	8,000

ISSD-TZ			
Facilities Project Manager	-	1,000	1,000
TOTAL	-	1,000	1,000

TOTAL			
Facilities Project Manager	-	95,000	95,000
TOTAL	-	95,000	95,000

FUNDS

STATE			
Facilities Project Manager	-	61,000	61,000
TOTAL	-	61,000	61,000

FEDERAL			
Facilities Project Manager	-	34,000	34,000
TOTAL	-	34,000	34,000

TOTAL			
Facilities Project Manager	-	95,000	95,000
TOTAL	-	95,000	95,000

2007 Supplemental M2-VT OB-2 Rehabilitation

ISSD Costs

	Staff Costs	Relocation Equipment /Install	Ongoing DIS	LAN Room Equipment	Total
FY2007					
FTE					-
A Salaries					-
B Benefits					-
E Goods & Services		200,000	200,000		400,000
J Equipment		400,000			400,000
TZ Recoveries	-	(600,000)	(200,000)	-	(800,000)
Total	-	-	-	-	-

	FY2006	FY2007
Program TZ Distribution		
010 Children and Family Services	-	166,000
020 Juvenile Rehabilitation	-	34,000
030 Mental Health	-	32,000
040 Developmental Disabilities	-	28,000
050 Aging and Adult Services	-	35,000
060 Economic Services	-	362,000
070 Alcohol and Substance Abuse	-	1,000
080 Medical Assistance	-	7,000
100 Vocational Rehabilitation	-	8,000
100-1 Deaf & Hard of Hearing	-	2,000
110 Administration	-	123,000
SCC Special Commitment Center	-	2,000
150 Information System Services Division	-	-
Total	-	800,000

	Enclosure Distribution	ISSD Enterprise Distribution	Total Cost Distribution
010 Children and Family Services	11.98%	8.77%	20.75%
020 Juvenile Rehabilitation	3.11%	1.10%	4.21%
030 Mental Health	3.11%	0.91%	4.02%
040 Developmental Disabilities	1.56%	1.92%	3.48%
050 Aging and Adult Services	1.56%	2.81%	4.37%
060 Economic Services	19.26%	25.93%	45.19%
070 Alcohol and Substance Abuse	0.00%	0.11%	0.11%
080 Medical Assistance	0.00%	0.93%	0.93%
100 Vocational Rehabilitation	0.00%	1.02%	1.02%
100-1 Deaf & Hard of Hearing	0.31%	0.00%	0.31%
110 Administration	12.45%	2.93%	15.38%
SCC Special Commitment Center	0.00%	0.23%	0.23%
150 Information System Services Division	46.66%	(46.66%)	0.00%
Total	100.00%	0.00%	100.00%